

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5412-01
Bill No.: Perfected HJR 72
Subject: Governor and Lieutenant Governor; Appropriations
Type: Original
Date: February 19, 2014

Bill Summary: This proposal would submit to the voters a constitutional amendment requiring the Governor to pay the public debt, and to provide a legislative check on the Governor's decisions to restrict funding for education and other state services.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	\$0 or (More than \$7,100,000)	\$0	\$0
Total Estimated Net Effect on General Revenue Fund	\$0 or (More than \$7,100,000)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Senate** assume this proposal would have no fiscal impact to their organization beyond existing appropriations.

Officials from the **Office of the Secretary of State (SOS)** provided the following response.

Each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly. Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. The Missouri Constitution authorizes the Governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, the Missouri Constitution requires the state to pay the costs. The cost of a special election is estimated to be \$7.1 million, based on analyzing and totaling expense reports received from local election authorities for the 2012 Presidential Preference Primary.

The SOS is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by the Missouri Constitution and state law, and the SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. Funding for this item is adjusted each year depending upon the election cycle with \$1.3 million historically appropriated in odd numbered fiscal years and \$100,000 in even numbered fiscal years. The appropriation has historically been an estimated appropriation because the final cost is dependent upon the number of ballot measures approved by the General Assembly and the number of initiative petitions certified for the ballot. In FY 2013, at the August and November elections, there were 5 statewide Constitutional Amendments or ballot propositions that cost \$2.17 million to publish (an average of \$434,000 per issue).

Therefore, SOS assumes, for the purposes of this fiscal note, that it would have the full appropriation authority it needs to meet the publishing requirements. However, because the publications are mandatory, we reserve the right to request funding to meet the cost of our publishing requirements if the Governor and the General Assembly change the amount or eliminate the estimated nature of our appropriation.

ASSUMPTION (continued)

Officials from the **Office of the Lieutenant Governor** and the **Office of the State Auditor** assume this proposal would have no fiscal impact on their organizations.

Officials from the **Office of the Governor** provided a response which did not indicate a direct fiscal impact to their organization.

Oversight assumes this proposal would not have a direct fiscal impact to the Office of the Governor.

Oversight has reflected in this fiscal note, the cost to the state for potential reimbursement to local political subdivisions for the cost of having this joint resolution voted on during a special election in fiscal year 2014. This reflects the decision made by the Joint Committee on Legislative Research, that the cost of the elections should be shown in the fiscal note. The next scheduled general election is in November 2014 (FY 2015). It is assumed the subject within this proposal could be on that ballot; however, it could also be on a special election called for by the Governor. Therefore, Oversight will reflect a potential election cost reimbursement to local political subdivisions in FY 2015.

Oversight assumes this proposal would have no other impact for fiscal note purposes since any action which would occur if this proposition is approved by the voters and implemented would result from some future action by the Governor and the General Assembly.

Amendments 1, 2, and 3

Due to time limitations, **Oversight** did not receive any responses related to the amendments.

Oversight considers these amendments to be technical budget matters and assumes there would be no direct fiscal impact to the state or to local governments from the amendments.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
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GENERAL REVENUE FUND

<u>Transfer Out</u> - Secretary of State - reimbursement of local election authority election costs	\$0 or (More than <u>\$7,100,000</u>)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	\$0 or (More than <u>\$7,100,000</u>)	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
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LOCAL GOVERNMENTS

<u>Transfer In</u> - Local Election Authorities - reimbursement of election costs by the State	\$0 or More than \$7,100,000	\$0	\$0
<u>Cost</u> - Local Election Authorities - cost of the election	\$0 or (More than <u>\$7,100,000</u>)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

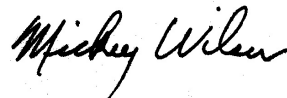
FISCAL DESCRIPTION

This proposal would submit to the voters a constitutional amendment requiring the Governor to pay the public debt, and to provide a legislative check on the Governor's decisions to restrict funding for education and other state services.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Governor
Office of the Lieutenant Governor
Office of the Secretary of State
Office of the State Auditor
Missouri Senate



Mickey Wilson, CPA
Director
February 19, 2014

Ross Strobe
Assistant Director
February 19, 2014